

81-81401A

21 SEP 1981

Mr. W. Kenneth Davis
Deputy Secretary
Department of Energy
Washington, D.C. 20585

Dear Mr. Davis:

Thank you for your letter of 14 August. In response to your request to review the role of the Department of Energy (DOE) in the Intelligence Community, I offer the following comments for your consideration. 25X1

DOE has made, and continues to make, vital contributions to the national effort in both intelligence technology and substantive intelligence, particularly through the Defense Programs Laboratories. These laboratories

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With regard to substantive intelligence, the most productive work from the Intelligence Community's view has been on foreign nuclear weapons, especially since this work has been in concert with other Community efforts. Additionally, DOE's work in the fields of nuclear proliferation and foreign energy technology provides a competitive center of analysis on these subjects. 25X1

Part of the Department of Energy's headquarters intelligence element performs a liaison function with the Intelligence Community to provide information on international energy developments to senior DOE officials and to articulate DOE requirements to the Intelligence Community. The Department could better serve the Community if it had sufficient analytical capability to provide finished analyses to the Community on world gas and oil developments, thereby serving as a conduit for information exchange between other DOE components and the Intelligence Community. For example, the following categories of energy intelligence would be useful to the Community:

feasibility of substituting fossil fuels, nuclear energy, or non-conventional fuels for imported oil or natural gas in the principal oil-importing countries of the OECD and the developing world;

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global assessment of the commercial viability of nuclear energy vis-a-vis coal in the cases of doubling of world real oil prices and/or a doubling or tripling of capital construction costs within 20 years.

In view of foregoing activities and our recent experience with DOE staffing, suggest that approximately [] positions would be needed. I would be happy to discuss this further with you if you desire. Additionally, my staff is prepared to discuss the details with whomever you designate. []

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Sincerely,

/s/ B. R. Inman

B. R. INMAN
Admiral, U. S. Navy

cc: F. Khedouri, OMB
W. Schneider, OMB

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SUBJECT: Possible loss of Positions in FY 1983 and FY 1984 for DOE

DCI/ICS/OPBC [redacted] 30 November 1982)

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